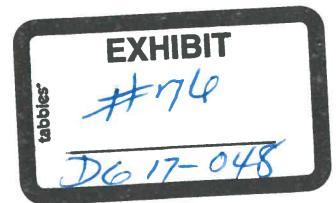


STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION



LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP.

Joint Petition to Approve Sale of New Hampshire Gas Corporation

Docket No. DG 14-155

SETTLEMENT AGREEMENT

ORIGINAL	
N.H.P.U.C. Case No.	DG 14-155
Exhibit No.	# 5
Witness	Pangli
DO NOT REMOVE FROM FILE	

This Settlement Agreement ("Agreement") is entered into as of the ____ day of October, 2014, by and among Iberdrola USA Enterprises, Inc. ("Iberdrola"), Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities ("EnergyNorth"), the Staff ("Staff") of the New Hampshire Public Utilities Commission (the "Commission"), the Office of Consumer Advocate (the "OCA"), and HotZero, LLC (hereinafter referred to collectively as the "Settling Parties"). This Agreement resolves all issues regarding Liberty's proposed acquisition of New Hampshire Gas Corporation ("NH Gas") in this docket.

I. INTRODUCTION

Iberdrola is a holding company incorporated in the state of Maine and is an indirect, wholly-owned subsidiary of Iberdrola, S.A., which is organized in Spain. Iberdrola, S.A.'s United States business is conducted through Iberdrola USA, Inc., with indirect subsidiaries, including NH Gas, that provide natural gas service to customers in New England and New York. NH Gas is a New Hampshire corporation and a public utility as defined in RSA 362:2. It provides retail gas service to approximately 1,200 customers in Keene, New Hampshire through a propane air system. EnergyNorth is a New Hampshire corporation and a public utility as

3. EnergyNorth will not charge any overhead to capital projects undertaken in the Keene Division, other than those associated with the Keene Division, unless and until the Commission approves a rate consolidation plan in a future proceeding.
4. EnergyNorth will not seek rate recovery for: (1) any transaction costs, which refers to financing, legal and regulatory costs incurred in connection with the closing of the transaction; (2) the acquisition premium; or (3) transition costs, which refers to one-time costs incurred to effect the transaction.
5. EnergyNorth will charge \$200,000 of corporate expenses annually to the Keene Division, which amount shall be adjusted annually for inflation, starting January 1, 2016. This charge shall include all costs for management services provided to the Keene Division, such as legal, regulatory, finance and human resources, but shall not include the cost of any mutual aid for emergency services or services for other events outside of normal business operations, which shall be billed separately by EnergyNorth to the Keene Division. EnergyNorth shall not charge customers additional costs to integrate the Keene Division into EnergyNorth without obtaining Commission approval to do so.
6. EnergyNorth shall maintain separate Cost of Gas rates and separate general distribution rates for the Keene Division.
7. EnergyNorth shall separately report all proposed capital projects for the Keene Division under Puc 509.11. EnergyNorth shall also notify the Staff and OCA of Keene Division capital projects other than those referenced in Puc 509.11(c) with projected costs greater than \$50,000 at least 60 days prior to commencement, where feasible.